

# THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY

## SEGREGATION OF DUTIES AND RECONCILIATION OF ACCOUNT MONITORING PLAN

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### 1) Cost Center/Project Manager Responsibility and Segregation of Duties

The purpose of this plan is to reduce the instances of non-compliance with segregation of duties and reconciliation of accounts as required by

- a. UT System Administrative Policy 142 (UTS 142)
- b. HOP Section ADM 10-703 Accounting Policy
- c. Texas Penal Code 37.10 Perjury and Other Falsification
- d. Segregation of Duties

### 2) A. Operating Controls: Accounting and Reporting

1. On a monthly basis, and after the accounting period close, a listing of all active cost center/projects that require reconciliation, approval, and certification, will be posted to the Accounting and Reporting website. An electronic notification will also be sent to all cost center/project managers and reconcilers (note that this population includes dean/directors/executives as cost center/project managers).
2. The reporting for financial certification is on an annual basis for the period of September 1 through August 31.
3. Towards the end of the annual period, the August month-end close electronic notification will be sent to these key members and include the following:
  - a. Cost Center/Project Manager – a listing of all cost centers/projects that are subject to financial certification posted to the Accounting and Reporting website.
  - b. Cost Center/Project Dean/Director (based on Key Member Roles) – a listing of all Cost Center/Project Managers and their corresponding cost centers/projects that are subject to financial certification under their supervision posted to the Accounting and Reporting website.

### B. Operating Controls: Cost Center/Project Reconciler

1. Once each fiscal year, complete the Financial Services/Comptroller Monthly Financial Reconciliation (MFR) Training within 30 days of assignment.
2. Each month, conduct cost center/project reconciliations which should be finalized in the PeopleSoft account reconciliation tool (SAHARA) within ten business days following the accounting period close.
3. Notify the managers of the completed reconciliations that are pending approval in SAHARA.

### C. Operating Controls: Cost Center/Project Manager

1. Once each fiscal year, complete the training via the training tool KnowBe4 within 30 days of assignment.
2. Each month, review and approve cost center/project reconciliations by the end of the month following the month-end close. All cost center/project reconciliations should be finalized by the reconciler within ten business days following the accounting period close.
3. At the end of the fiscal year (around mid-September), complete the electronic submission of cost center/project financial certifications.
4. Due date for certification(s) is September 30<sup>th</sup>.

**3) A. Monitoring Controls: Dean/Director/Executive (based on HR hierarchy)**

1. Managers and Dean/Directors: Towards the end of the annual period, on the fourth Monday of September, an electronic notification reminder will be sent requesting that all remaining cost center/projects still pending certification be completed.
2. Dean/Director(s) and Divisional Executive(s): During the first week of October, a final electronic notification will be sent of all cost center/projects that remained uncertified for the annual period ending August 31<sup>st</sup> and request that all remaining outstanding financial certifications be completed.
3. The Accounting and Reporting Office and Audits and Consulting Services will have access to generate a report for internal use.

**B. Monitoring Controls: Divisional Executive**

1. Take corrective action to bring all non-compliant cost center/project managers and reconcilers to meet policy objectives based on results of the Annual Review and with input from Dean/Director. For cost center/project managers and reconcilers that are noncompliant with university policies and procedures related to account reconciliations and training, this noncompliance will be handled in the same manner as all institutional compliance for the university.
2. Copy Audits and Consulting Services.
3. Copy Accounting and Reporting.

**C. Monitoring Controls: Accounting and Reporting - Training:**

1. On an annual basis, electronic notifications will be sent to the Cost Center/Project Managers and Reconcilers to assign them training for the Monthly Financial Reconciliation due within 30 days of assignment.
2. Electronic notification reminders will be sent on Mondays each week to the Cost Center/Project Managers and Reconcilers that are pending to complete the training for the Monthly Financial Reconciliation.

**D. Monitoring Controls: Accounting and Reporting - Reconciliations:**

1. After the monthly accounting close for Oct, Dec, Feb, Apr and Jun, electronic notifications will be sent to Reconcilers, Managers and Dean/Directors with reconciliations that remain incomplete in SAHARA.
2. A link will be provided to run the SAHARA Summary Report for reconcilers and a list of the outstanding reconciliations for prior accounting periods will be provided for Managers and Dean/Directors.

**E. Monitoring Controls: Accounting and Reporting - Inspections:**

1. On a semi-annual basis, Accounting and Reporting will identify a sample of cost centers/projects and conduct inspections.
2. The inspections will confirm that the reconciliations are being performed and adequate supporting documentation is maintained. The inspections will be conducted using the Financial Reconciliation Inspection checklist that addresses the monthly reconciliation's accuracy, completeness, validity, reasonableness and compliance with university policies and procedures. The inspections will not audit or inspect the methodology of the reconciliation.
3. Sample will be based on a combination of a random sample and a risk-based, high-value assessment of cost centers/projects which are deemed to be high-risk.
4. Due dates for Inspection(s): 1<sup>st</sup> Semi-Annual Period due May 1<sup>st</sup>; 2<sup>nd</sup> Semi-Annual Period due Nov 1<sup>st</sup>.

**4) Evidence of Monitoring: Accounting and Reporting**

- a. Submit results of inspections to respective Executive.
- b. Copy Cost Center/Project Dean/Director.
- c. Copy Audits and Consulting Services.

**5) Oversight Controls: Accounting and Reporting**

- a. Test the effectiveness of the monitoring plan by reviewing results from the Annual Review(s), Inspection(s), and Divisional Executive's corrective actions.

**6) Evidence of Oversight: Accounting and Reporting**

- a. File copies of the Annual Review(s), Inspection(s) and documentation of corrective actions taken by Divisional Executives.

**7) Effective Date**

- a. Revised effective date 9/01/2022